

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7087**

**BILL NUMBER:** HB 1399

**NOTE PREPARED:** Jan 8, 2006

**BILL AMENDED:**

**SUBJECT:** Taxes and local finances.

**FIRST AUTHOR:** Rep. Whetstone

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**      **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Establishes the state commission on responsibility and efficiency. Legalizes certain public debt instruments. Makes changes in laws governing the adoption of budgets, tax rates, and tax levies and the administration of public funds. Eliminates restrictions on property tax replacement fund distributions. Provides a property tax credit for homesteads whenever the assessed value increases by more than 75% in a general reassessment. Provides an income tax credit for sales tax paid on home heating energy. Provides a temporary sales tax exemption for home heating energy and gasoline. Permanently caps the price on which sales tax is charged on gasoline at \$1.50 per gallon. Permits a county income tax council or a municipality to adopt a motor vehicle excise surtax and a wheel tax under certain circumstances. Authorizes counties, cities, and towns to adopt the following additional local taxes: (1) Income taxes. (2) Food and beverage taxes. (3) Innkeeper's taxes. (4) Sales taxes. Increases Indiana's minimum hourly wage. Provides alternative procedures for cooperative agreements. Permits establishment of governmental service territories. Makes other related changes.

**Effective Date:** Upon passage; January 1, 2006 (retroactive); May 1, 2006; July 1, 2006.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.